



Item: AF: I-2d

AUDIT AND FINANCE COMMITTEE

Wednesday, October 20, 2010

**SUBJECT: REVIEW OF AUDITS: REVIEW OF SUMMARY OF FOLLOW-UP ON
AUDIT RECOMMENDATIONS SCHEDULED TO BE IMPLEMENTED DURING
THE PERIOD OF JANUARY 1 THROUGH JUNE 30, 2010.**

PROPOSED COMMITTEE ACTION

Information Only.

BACKGROUND INFORMATION

The Office of Inspector General performs follow-up procedures for all outstanding audit recommendations on a regular basis. For the six months ended June 30, 2010, we reviewed a total of 33 audit recommendations resulting in the following conclusions:

- 16 recommendations were deemed to be fully implemented;
- 15 recommendations were partially implemented; and,
- 2 recommendations were considered no longer applicable.

We have obtained new expected implementation dates from the auditees responsible for all partially implemented recommendations. These recommendations will be subject to additional follow-up in the future.

IMPLEMENTATION PLAN/DATE

Not Applicable.

FISCAL IMPLICATIONS

Not Applicable.

Supporting Documentation: **OIG Schedule of Follow-Up on Audit Recommendations**

Presented by: Mr. Morley Barnett, Inspector General

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FAU-OIG
SUMMARY OF FOLLOW-UP ON AUDIT RECOMMENDATIONS
SCHEDULED TO BE IMPLEMENTED DURING THE PERIOD OF 01/01/10 – 06/30/10

IMPLEMENTED (16)							
AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Federal Awards	AG09-144	99	Special Tests and Provisions – Return of Title IV Higher Education Act (HEA) Funds – Unofficial Withdrawals	Carole Pfeilsticker	Dr. Michael Armstrong	N/A	N/A
Federal Awards	AG10-165	87	Allowable Costs/Cost Principles and Eligibility	Jason Ball	Dr. Gitanjali Kaul	N/A	N/A
Operational Audit of FAU	AG10-131	2.3	Decentralized Collections – Pharmacy	Cathie Wallace	Dr. Charles Brown	N/A	N/A
Operational Audit of FAU	AG10-131	4	Complimentary Tickets	Michael Boele/ Michael LaRocco	Craig Angelos	N/A	N/A
Operational Audit of FAU	AG10-131	5	Student Government Expenses	Terry Mena/ Ayden Maher	Dr. Charles Brown	N/A	N/A
Operational Audit of FAU	AG10-131	6	Purchasing Cards	Ed Schiff	Dorothy Russell	N/A	N/A
Operational Audit of FAU	AG10-131	7	Cellular Telephones	Dennis Crudele	Dr. Mary Jane Saunders	N/A	N/A
Operational Audit of FAU	AG10-131	8	Insurance Coverage	Charles Young	Dennis Crudele	N/A	N/A
Operational Audit of FAU	AG10-131	9	Performance Appraisals	Marie Mascaro	Dennis Crudele	N/A	N/A
Operational Audit of FAU	AG10-131	10	Statement of Financial Interests	Dennis Crudele	Dr. Mary Jane Saunders	N/A	N/A
Undergraduate Admissions	FAU08/09-1	1	Florida Residency Determination for Online Student Applicants	Barbara Pletcher	Dr. Michael Armstrong	N/A	N/A
Lifelong Learning Society	FAU07/08-4	13.2	Incomplete/Inadequate Accountability for Parking Permits – LLS Jupiter	Rene Friedman	Dr. Joyanne Stephens	N/A	N/A
Employee Time Cards	FAU09/10-2	1	Improvement Needed in Completeness of Documentation of Hours Worked – Harbor Branch Oceanographic Institute	Julie Pettingill	Patrick Boles	N/A	N/A
Student Government Association	FAU08/09-4	4	Expenditure Transaction Approval Deficiencies	Terry Mena/ Ayden Maher	Dr. Charles Brown	N/A	N/A
Student Government Association	FAU08/09-4	5	Inter-Fund Transfer Approval Documentation Deficiencies	Terry Mena/ Ayden Maher	Dr. Charles Brown	N/A	N/A

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IMPLEMENTED (continued)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Federal Awards	AG10-165	113	Allowable Costs/Cost Principles – Time-and-Effort	Dr. Edwin Bemmell	Dr. Barry Rosson	N/A	N/A

PARTIALLY IMPLEMENTED (15)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Operational Audit of FAU	AG10-131	2.1	Decentralized Collections – Campus Recreation	Eric Hawkes	Dr. Charles Brown	Management needs to ensure that the <i>Departmental Bulk Deposit</i> forms are signed-off by a reviewer.	09/01/10
Operational Audit of FAU	AG10-131	2.2	Decentralized Collections – Athletics	Michael Boele/ Michael LaRocco	Craig Angelos	Management needs to ensure that: 1) <i>Departmental Bulk Deposit</i> forms are signed/initialed and dated by the Athletics employee who delivers the deposit to the central cashier's office; 2) all ticket order forms indicate the date of receipt, source of the ticket order/payment, initials of the employee who received the order/payment, and disposition of the tickets; and, 3) cash/check deposits are delivered to the central cashier's office within five business days after the collections are received by the ticket office.	07/31/10
Operational Audit of FAU	AG10-131	11	Textbook Affordability	Stacy Volnick	Dennis Crudele	Management needs to ensure that a complete textbook listing is timely posted on the University's website in accordance with Florida statutes.	08/31/11

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PARTIALLY IMPLEMENTED (continued)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Operational Audit of FAU	AG10-131	13	Property Inventory Accountability	Stacey Semmel	Dorothy Russell	Delays remain in the annual inventory process because accountable officers need to return phase 3 reports more timely in order for Property Management to complete a final accounting (phase 4) for tangible property items.	9/30/11
Operational Audit of FAU	AG10-131	14	Property Deletions	Stacey Semmel	Dorothy Russell	Significant gaps in time still exist between the dates police reports are filed and receipt of Prop-1 forms from accountable officers whose areas have reported stolen tangible property items.	9/30/11
NCAA Eligibility Compliance	FAU08/09-2	1	Squad and Eligibility Checklists	Ed Hayward	Craig Angelos	Management needs to ensure that a football squad list is completed each semester.	11/01/10
NCAA Eligibility Compliance	FAU08/09-2	2.1	Documentation Deficiencies Related to Student-Athlete Eligibility	Ed Hayward	Craig Angelos	Management needs to ensure that documentation supporting student-athlete eligibility is complete and properly maintained.	11/01/10
NCAA Eligibility Compliance	FAU08/09-2	2.2	Monitoring Deficiencies Related to Student-Athlete Eligibility	Ed Hayward	Craig Angelos	Management needs to ensure that determinations of freshman eligibility consistent with NCAA regulations are documented and periodic, documented evaluations of the NCAA Compliance Assistant database are performed.	11/01/10
NCAA Eligibility Compliance	FAU08/09-2	3	Incomplete Student-Athlete Eligibility Written Procedures	Ed Hayward	Craig Angelos	Management needs to ensure that the written student-athlete eligibility procedures are updated in sufficient detail to assist with the level of monitoring needed to ensure NCAA regulatory compliance.	11/01/10
Student Government Association	FAU08/09-4	1	Need for Expanded SGA Internal Fiscal Policies and Procedures	Terry Mena/ Ayden Maher	Dr. Charles Brown	Management needs to ensure that the Student Government Accounting & Budget Office Manual is further updated to provide more guidance.	02/01/11

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PARTIALLY IMPLEMENTED (continued)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Student Government Association	FAU08/09-4	2	Improvement Needed in Annual SGA Budget Preparation and Recording Processes	Terry Mena/ Ayden Maher	Dr. Charles Brown	Management needs to ensure that a projection model and/or explanation of revenue estimates is attached to the non-A&S fee budget request forms.	08/01/11
Student Government Association	FAU08/09-4	3	Untimely Submission of WOLF TARs	Terry Mena/ Ayden Maher	Dr. Charles Brown	Management needs to ensure that all travelers on Student Government (SG) funded trips comply with FAU travel policies and the SG Accounting and Budget Office Manual.	02/01/11
Student Government Association	FAU08/09-4	6	Incomplete Compliance with Statutory Requirements for SGA Reserve Funds	Terry Mena/ Ayden Maher	Dr. Charles Brown	Management needs to ensure that the Reserve Account procedures in the Student Government (SG) Accounting & Budget Office Manual and Chapters 212 & 213 of the SG statutes are revised so that they agree, and there is compliance with the SG Accounting and Budget Office Manual after it has been reconciled to the aforementioned SG statutes.	08/01/11
Student Government Association	FAU08/09-4	7	Money Collection Accountability Deficiencies	Terry Mena/ Ayden Maher	Dr. Charles Brown	Management needs to ensure that the Check or Money Handling Policies in the Student Government (SG) Accounting & Budget Office Manual are revised to indicate the performance of a periodic, documented, independent reconciliation, and there is consistent compliance with the updated Check or Money Handling Policies.	02/01/11
Federal Awards	AG10-165	107	Allowable Costs/Cost Principles – Cost Accounting Standards (CAS) Exemptions	Dr. Edwin Bemmell	Dr. Barry Rosson	Management needs to ensure that an opinion and clarification is obtained from the cognizant agency (USDHHS) as recommended by the State Auditors. We will re-visit the issue during the first quarter of 2011 when the results of the current Federal Awards audit are expected to be issued by the State Auditors.	03/31/11

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NO LONGER APPLICABLE (2)							
AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE`	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Operational Audit of FAU	AG10-131	2.4	Decentralized Collections – OWL CARD Center	Stacy Volnick	Dennis Crudele	N/A *	N/A
Operational Audit of FAU	AG10-131	3	Multi-purpose Card Program	Stacy Volnick	Dennis Crudele	N/A **	N/A

* Management has indicated that there is not a cost-beneficial way to fully implement the recommendation, as intended. Management has elected to accept the residual risk of conducting the Owl Card Center’s cashiering operations in its current form.

** Management has indicated that there is not a cost-beneficial way to fully implement the recommendation, as intended. Management has elected to accept the residual risk of conducting the Multi-purpose Card program in its current form.